

# Central Utah Water Conservancy District

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February 26, 1

Pioneer Canal Company c/o Leo Brady HC 2 Box 37 Duchesne, UT 84021

Dear Water User:

We understand the State Engineer has submitted a duty schedule to the courts for the Strawberry-Duchesne River operation during the 1992 irrigation season. Enclosed is a copy of a "Memorandum of Understanding" which we have prepared to enable various canal companies and individuals who have purchased Central Utah Project Water to regulate their direct flow rights in Starvation Reservoir on a temporary basis. There were several who participated in this program last year and received the benefit from the regulation and thus were able to receive their full duty during the irrigation season.

If you are interested in this agreement, we would recommend that your president and your secretary, sign and return all three copies of this agreement through our Duchesne Office Complex.

If you have any questions, please contact Keith Hooper, the Duchesne Area Coordinator. By copy of this letter, we are requesting the State Engineer to evaluate the period of time that can be utilized in regulating the direct flow rights in Starvation Reservoir.

Sincerely your;

Don A. Christiansen

General Manager

DAC/HJP:dv

Enclosure

Robert Morgan, State Engineer

Keith Hooper

### MEMORANDUM OF UNDERSTANDING Starvation Reservoir Operation and Regulation (Canal Company)

THIS MEMORANDUM OF UNDERSTANDING made and entered into this day of
, 1991, between the
COMPANY, a mutual water Company owning primary water rights from the Duchesne River and its tributaries, hereinafter referred to as the "Company", and the CENTRAL UTAH WATER CONSERVANCY District, hereinafter referred to as the "District".

It is the objective of this Memorandum of Understanding to permit the Company and other canal companies and also individuals who have subscribed for Bonneville Unit, Central Utah Project Water, the right to temporarily regulate their direct flow water in Starvation Reservoir on a space available basis as directed by the Utah State Engineer, hereinafter referred to as the "State Engineer" or the District Court of Duchesne County, hereinafter referred to as the "Court".

#### RECITALS:

The Bureau of Reclamation is constructing the Bonneville Unit of the Central Utah Project, hereinafter referred to as the "Project", and the District has contracted to repay the reimbursable costs of the Project and to operate and maintain the Project facilities when such facilities are assigned to the District. The Project includes, among other facilities, the Starvation System, which is made up of Starvation Dam and Reservoir and the Knight Diversion Dam, Pipeline and Tunnel.

The Duchesne-Strawberry River Commissioner, hereinafter referred to as the "River Commissioner", administers the delivery of direct flow water rights under the direction of the State Engineer, and since about 1969 the District has operated and maintained the Starvation System.

Storage water developed by the Project, hereinafter referred to as "Project Water", is provided by the District, upon demand, in accordance with the storage delivery schedules provided for in existing contracts with those who have subscribed for Project Water.

A delivery schedule, for direct flow diversions, provides a variable diversion rate in cubic feet per second for specific periods of time during the irrigation season. The water diverted under the delivery schedule is regulated by the River Commissioner for direct flow water rights based upon the respective priority dates. The water users, including the Company, could make more efficient use of their direct flow irrigation water if the water could be temporarily regulated.

In order to cooperate with the Company and assist it in using its water that is available under the delivery schedule and to operate the Project more efficiently, the District is willing to permit, on a space available basis, the use of needed Project storage and conveyance facilities to permit the regulation of direct flow water of the Company in Starvation Reservoir. In entering into this agreement the District is doing so subject to the approval by the State Engineer of such temporary regulation in Starvation Reservoir. In addition, the District will modify the early season limitation under the storage delivery schedule as set forth in the Company's Project Water Contract.

Because it is the desire of the parties hereto to administer the Duchesne River in relation to the delivery schedule for direct flow diversions and make available regulation in Starvation Reservoir, the parties hereto agree as follows:

## THE CENTRAL UTAH WATER CONSERVANCY DISTRICT WILL:

- 1. Designate a contact person to coordinate natural flow regulation in Starvation Reservoir with the River Commissioner and the Company.
- 2. Allow the Company to regulate direct flow water in Starvation Reservoir and use other needed Project conveyance facilities during the current irrigation season for regulatory purposes, but only on a space available basis. The purpose of such regulation is to promote the more efficient use thereof. The District operator or contact person, in cooperation with the River Commissioner, will account for the direct flow water so regulated in Starvation Reservoir and report the total acre-feet amount regulated each year by the Company. The Company will be billed after the end of each irrigation season, but no later than November 30 of each year for such privilege. Failure on the part of the Company to pay by December 31st of said year will be grounds for cancellation of this Agreement by the District. The cost to regulate direct flow water in Starvation Reservoir, including any carriage charge shall be \$0.50 per acre-foot per season. Payment will be

made by the Company to the District and the District will transmit the payment to the Bureau of Reclamation by December 31st each year. There shall be no right to carryover any regulated water beyond the irrigation season, nor to use the storage facilities, except for regulatory purposes and to insure the more efficient use of said water. All expenses and legal costs incurred in obtaining any approvals of the State Engineer, if any such approval is necessary, will be paid by the Company. It is the intent of the District to extend similar regulation privileges in Project facilities to other water users of Project Water in the Duchesne River system.

- 3. Bill the Company prior to November 30 of each year for the amount of direct flow water regulated for the Company in Starvation Reservoir at the rate of \$.50 per acre-foot.
- 4. For the privilege of regulating its direct flow water in Starvation Reservoir the Company agrees to pursue to completion the negotiation of Subscription Agreements with its individual stock holders who have rights to purchase Project Water. The District will assist the Company in the amendment of its articles of incorporation and the preparation and negotiation of Subscription Agreements and the stock certificate issue to complete the requirements under federal Reclamation law.
- 5. Continue investigations concerning additional canal rehabilitation to determine if there are any additional sections of the companies canal which require rehabilitation in order to assist the Company in meeting its irrigation requirement.

#### THE COMPANY WILL:

- 1. Designate a contact person to coordinate direct flow regulation in Starvation Reservoir with the River Commissioner and the Central Utah Water Conservancy District.
- 2. Notify the District and the River Commissioner when it has direct flow water that it desires to regulate in Starvation Reservoir and comply with the State Engineer's guidelines concerning the regulation and use of such water.
- 3. Pay the cost of regulation within 30 days after billing by the District at the rate of \$.50 per acre-foot per season for the regulation cost.
- 4. In consideration of the privilege of regulating its direct flow water in Starvation Reservoir as provided for herein, the Company agrees to pursue to completion the negotiation of Subscription Agreements and stock certificate issue with its individual stock holders who have the right to use Project Water and to provide the accounting therefore and to restrict the use of Project Water to project lands, all as required by federal Reclamation law.

This Agreement shall be for a period of ten (10) years and can be renewed by written approval of the parties hereto. Signed the day and year above written.

Attest:	CENTRAL UTAH WATER CONSERVANCY DISTRICT
	By Its General Manager
Attest:	IRRIGATION CO.
Secretary	By Its President